Message Text

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R 222112Z AUG 77 FM AMEMBASSY PANAMA TO SECSTATE WASHDC 3304 INFO PANCANAL USCINCSO

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EO 11652: GDS TAGS: PBOR, PN, PQ

SUBJECT: PROSPECTS BRIGHT FOR TREATY APPROVAL IN PANAMA

SUMMARY. THE EMBASSY EXPECTS THAT AN OVERWHELMING MAJORITY OF PANAMANIANS WILL APPROVE THE DRAFT TREATY IN A PLEBISCITE LATER THIS YEAR. OPPOSITION COMES PRIMARILY FROM LEFT-WING STUDENTS AND REMNANTS OF THE POLITICAL CLASS WHICH RAN PANAMA UP TO 1968; BUT BOTH OF THESE SECTORS ARE WEAK. PANAMA IS OFTEN UNPREDICTABLE AND WE CAN IMAGINE SOME DEVELOPMENTS WHICH MIGHT CHANGE THIS PICTURE, BUT CHANCES OF PANAMA FAILING TO APPROVE THE TREATY ARE REMOTE. END SUMMARY

1. THE HISTORY OF THE REPUBLIC OF PANAMA CAN BE DIVIDED INTO TWO PERIODS--THE FIRST FEW WEEKS, WHEN IT GOT THE HAY-BUNAU-VARILLA TREATY AS A CODICIL TO ITS INDEPENDENCE, AND THE YEARS SINCE, AS IT TRIED TO FUNDAMENTALLY ALTER THE CONDITIONS IMPOSED BY THAT TREATY. PANAMANIANS HAVE NOW HAD NEARLY A FORTNIGHT TO CONSIDER THE PROSPECT OF A NEW TREATY WHICH WOULD MAKE MANY OF THE BASIC CHANGES THEY CONFIDENTIAL

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HAVE SPENT THEIR LIVES WAITING FOR. ALREADY THERE IS LITTLE DOUBT WHAT THE VERDICT WILL BE. WHEN THE TREATY IS PLACED BEFORE THE PEOPLE IN A PLEBISCITE (AT A YET UNSPECIFIED DATE, ALMOST SURELY THIS YEAR), THE RESPONSE IS ALMOST CERTAIN TO BE A RESOUNDING YES.

2. MOST POLITICALLY LITERATE PANAMANIANS RECOGNIZE

THAT THE TREATY PACKAGE WILL BE FOR THEM AN IMPERFECT SOLUTION. THE NEUTRALITY TREATY WITH ITS HINT OF PERPETUITY, THE PROSPECT OF GRINGO SOLDIERS IN PANAMA FOR THE LIFE OF THE CANAL TREATY, HE HEDGES ON PANAMANIAN JURISDICTION OVER CERTAIN "LANDS AND WATERS"--THESE ARE A FEW OF THE SHARP EDGES ON THE "PEBBLE" WHICH TORRIJOS HAS SAID PANAMANIANS MUST WEAR IN THEIR SHOE FOR THE NEXT 23 YEARS. BUT IT DOES NOT TAKE A GENIUS AT EITHER POLITICS OR ECONOMICS TO SEE THAT PANAMA BADLY NEEDS THIS NEW TREATY. MOST PANAMANIANS GET THE POINT.

3. OPPOSITION TO THE TREATY, THERE IS. THE MOST DANGEROUS IS ON THE LEFT. THERE ARE A FEW FRACTIOUS AND FANATICAL IDEOLOGUES--MOSTLY STUDENTS--WHO, GIVEN THE RIGHT CIRCUMSTANCES, WOULD RISK THEIR LIVES TO KILL THE NEW TREATY. THE REVOLUTIONARY SOCIALIST LEAGUE (LSR), A TINY BUT VOLUBLE STUDENT GROUP, SUMMED UP THE POSITION OF THESE LEFT-WING SPLINTERS WITH GUILELESS SIMPLICITY: THE TORRIJOS GOVERNMENT IS GUILTY OF SACRIFICING A "JUST" TREATY IN ORDER TO ACHIEVE ONE THAT IS "POSSIBLE." THE FOLLOWING OF SUCH ZEALOTS IS NUMERICALLY INSIGNIFICANT, BUT THEY ARE DANGEROUS BECAUSE OF THE DEPTH OF THEIR COMMITMENT. THEY NEED HELP--PERHAPS A MARTYR--IF THEY ARE TO HAVE A CHANCE TO KILL THE TREATY. AND CONFIDENTIAL

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THEIR POTENTIAL FOR MISCHIEF IS IN THE STREET, NOT IN THE VOTING BOOTH.

4. THE THREAT FROM THE RIGHT IS MORE RESPECTABLE AND THUS LESS DANGEROUS. IT IS HARD TO IMAGINE THE COMFORTABLE PROFESSIONALS AND BUSINESSMEN WHO LAMENT THE TORRIJOS REGIME'S EXISTENCE BARING THEIR BREASTS TO THE NATIONAL GUARD'S WEAPONS. THESE PEOPLE--FOR THE MOST PART MEMBERS OF THE GOVERNING CLASS BEFORE 1968--ARE OPPOSED TO THE TREATY BECAUSE IT WAS NEGOTIATED BY TORRIJOS AND MAY HELP TO KEEP HIM IN POWER, FOR THEM TORRIJOS REPRESENTS THE DEMISE OF DEMOCRATIC FORMS, THE RISE TO POWER OF A DESPISED CLASS OF UNWASHED SNOPESES, IN FACT A REVOLUTION WHEREBY THEY ARE RELEGATED TO THE PERIPHERY OF THIS POLITICAL PROCESS. THESE PEOPLE RETAIN ECONOMIC POWER, THOUGH THEY MUST SHARE IT WITH THE PARVENUE CROWD WHICH HAS A STRANGLEHOLD ON POLITICAL POWER. THEIR STANCE ON THE TREATY IS AN UNCOMFORTABLE ONE. IN THE FIRST PLACE, NO ONE BELIEVES THEY COULD, OR WOULD, HAVE WRUNG MORE FROM THE GRINGOS THAN TORRIJOS HAS. SOME OF THEM WERE INSTRUMENTAL IN THE DRAFTING

OF THE ABORTIVE 1967 TREATY, WHICH WILTED AND DIED AT THE FIRST RAY OF THE LIGHT OF DAY - AND WHICH WAS IN MOST PARTICULARS LESS FAVORABLE TO PANAMA THAN THIS NEW DRAFT. IT'S TOUGH TO PERSUADE OTHERS THEY COULD DO BETTER.

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- 5. SECOND, IT IS ALL TOO OBVIOUS THAT THESE MEN ARE OPPOSING THE TREATY FOR THEIR OWN POLITICAL PURPOSES. IN A COUNTRY WHERE ABROGATION OF HAY-BUNAU-VARILLA IS A NATIONAL OBSESSION, IT IS VERY DANGEROUS TO PLAY POLITICS WITH A TREATY WHICH ACHIEVES THIS END.
- 6. FINALLY, THIS CLASS--WHAT ONCE WAS WITH CONSIDERABLE JUSTIFICATION CALLED AN OLIGARCHY--IS DIVIDED. MANY OF THE OLD GOVERNING CLASS WAS SUFFICIENTLY FLEXIBLE (OR OPPORTUNISTIC) TO JOIN THE NEW REGIME AS TECHNICIANS OR SIMPLE SUPPORTERS.
- 7. BUT WHAT MAKES THE RECRUITMENT OF OPPOSITION TO THE TREATY MOST DIFFICULT IS THE MANIFEST FACT THAT THE PERSISTENT ECONOMIC RECESSION IN PANAMA IS HURTING EVERYONE. AND THE BEST HOPE FOR PULLING THE ECONOMY OUT OF ITS DOLDRUMS IS A TREATY-NOT A CHANGE OF REGIME. PULL DOWN THE TREATY AND YOU PULL DOWN ECONOMIC PROSPECTS WITH IT.
- 8. APART FROM THE STUDENTS AND FROM WOULD-BE POLITICIANS TRYING TO SOUND MORE NATIONALISTIC THEN TORRIJOS, THE COUNTRY SEEMS TO BE WELCOMING THE TREATY. EVEN SOME OF THE RIGHTIST "NATIONALIST" OPPOSITION

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WILL ADMIT THAT THE TERMS ARE IN THEMSELVES ACCEPTABLE. THE WORST PART IS THE U.S.'S OPEN-ENDED ROLE IN DEFENDING THE CANAL'S NEUTRALITY AFTER THE YEAR 2000; BUT THERE IS EVERY INDICATION THAT MOST PANAMANIANS WILL HOLD THEIR NOSE AND SWALLOW THAT. ADD TO THE GENERAL ACCEPTABILITY OF THE TREATY THE FACTS THAT (1) THE GOVERNMENT CONTROLS THE MEDIA AND THE RIGHT TO ASSEMBLY PUBLICLY. (2) THERE IS NO EFFECTIVE POLITICAL ORGANIZATION IN THE COUNTRY OUTSIDE THE GOVERNMENT, AND (3) THE GOVERNMENT COUNTS THE VOTES. THERE IS LITTLE WAY THE PLEBISCITE CAN BE LOST.

9. A CAVEAT: THIS PICTURE COULD POSSIBLY BE CHANGED BY DEVELOPMENTS UNRELATED TO POPULAR VIEWS OF THE TREATY IN PANAMA. FOR EXAMPLE, IF IT SHOULD BECOME EVIDENT THAT THE U.S. SENATE WAS NOT GOING TO RATIFY THE TREATY, TORRIJOS.--AND WITH HIM PANAMA---WOULD BECOME HIGHLY UNPREDICTABLE. THE PLEBISCITE MIGHT BE SIDETRACKED IN FAVOR OF MORE DIRECT ACTION. ANOTHER FACTOR WHICH COULD THROW THINGS INTO DOUBT WOULD BE DOMESTIC UNREST HERE, E.G., SERIOUS STUDENT RIOTING (MORE LIKELY OVER ECONOMIC QUESTIONS THAN BECAUSE OF THE TREATY). BUT THESE POSSIBILITIES DO NOT DIMINISH OUR VIEW THAT THE PLEBISCITE IS LIKELY TO BE A LANDSLIDE FOR APPROVAL.

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